

**ARIZONA DEPARTMENT OF ADMINISTRATION -
CENTRAL OPERATIONS**

**A.R.S. § 41-701, 41-722,
41-794, and 41-2511**

| General Fund and Other Appropriated Funds | FY 1998 Actual | FY 1999 Estimate | FY 2000 Approved | FY 2001 Approved |
|--|---------------------------|-----------------------------|--------------------------------|--------------------------------|
| FTE Positions | 210.7 | 218.7 | 215.7 ^{1/} | 215.7 ^{1/} |
| Personal Services | 4,898,900 | 5,500,200 | 5,509,500 | 5,619,700 |
| Employee Related Expenditures | 1,082,900 | 1,185,300 | 1,163,400 | 1,220,800 |
| Professional and Outside Services | 48,900 | 19,100 | 19,100 | 19,100 |
| Travel - In State | 3,900 | 10,300 | 10,300 | 10,300 |
| Travel - Out of State | 9,800 | 13,200 | 13,200 | 13,200 |
| Other Operating Expenditures | 1,530,600 | 1,571,300 | 3,101,000 | 3,101,000 |
| Equipment | 339,600 | 90,400 | 90,400 | 113,800 |
| Operating Subtotal | 7,914,600 | 8,389,800 | 9,906,900 | 10,097,900 |
| ENSCO | 4,585,600 | 4,586,600 | 4,586,700 | 4,586,700 |
| State-Owned Space Rent | 770,200 | 805,000 | 0 | 0 |
| Lease-Purchase Rent | 745,300 | 720,200 | 0 | 0 |
| AFIS II | 1,981,700 | 2,545,300 | 2,549,500 ^{2/} | 2,549,500 ^{2/} |
| Retiree Accumulated Sick Leave | 0 | 200,000 | 0 | 0 |
| Veterans' Home | 400,000 | 0 | 0 | 0 |
| Hearing Office | 8,800 | 10,000 | 0 | 0 |
| Capitol Police | 1,658,000 | 2,116,300 | 2,125,700 | 2,267,100 |
| Governor's Regulatory Review Council | 353,500 | 394,200 | 459,900 | 469,800 |
| Performance-Based Incentives Program | 0 | 200,000 | 200,000 | 200,000 |
| Employee Bus Subsidy | 323,300 | 455,000 | 464,100 ^{3/} | 475,400 ^{3/} |
| Named Claimants | 1,230,000 | 0 | 0 | 0 |
| Total | 19,971,000 | 20,422,400 | 20,292,800^{4/} | 20,646,400^{4/} |
| Additional Appropriations - | | | | |
| Appropriation; Named Claimants, Ch. 244 | 0 | 385,000 | 0 | 0 |
| Total Appropriations | 19,971,000 | 20,807,400 | 20,292,800 | 20,646,400 |
| <u>Fund Summary</u> | | | | |
| General Fund | 19,481,600 | 20,168,900 | 19,647,500 | 19,985,200 |
| Air Quality Fund | 323,300 | 455,000 | 464,100 | 475,400 |
| Capital Outlay Stabilization Fund | 84,000 | 89,300 | 90,500 | 92,700 |
| Corrections Fund | 82,100 | 89,500 | 90,700 | 93,100 |
| State Lottery Fund | 0 | 4,700 | 0 | 0 |
| Total Appropriations | 19,971,000 | 20,807,400 | 20,292,800 | 20,646,400 |

Program Description — *Central Operations includes the Director's office; the Management Services Division, which provides internal department analysis, purchasing, accounting, and budgeting; the General Accounting Office, which maintains the state's financial records, provides accounting services to agencies, and oversees state compliance with financial requirements and appropriation authority; the State Procurement Office, which provides purchasing services and oversees procurement for agencies; and the Capitol Police Department, which provides police officers and security aides for the Phoenix Capitol Mall and Tucson Office Complex*

^{1/} Includes 62 FTE Positions funded from Special Line Items in FY 2000 and FY 2001.

^{2/} The department may collect an amount of not to exceed \$762,600 from other funding sources, excluding Federal Funds, to recover pro rata costs of operating AFIS II. All AFIS II operating costs below \$3,312,100 shall be proportionately distributed among all contributing funding sources, including the state General Fund. (General Appropriation Act footnote)

^{3/} The amounts appropriated for the Employee Bus Subsidy shall be used only for a 50% subsidy of charges payable to a regional transit authority for public transportation expenses of nonuniversity state employees in a vehicle emissions control area, as defined in A.R.S. § 49-541, of a county with a population of more than 1,500,000 persons according to the most recent United States decennial census. (General Appropriation Act footnote)

^{4/} General Appropriation Act funds are appropriated as a Lump Sum by Fund for the Agency.

ARIZONA DEPARTMENT OF ADMINISTRATION - CENTRAL OPERATIONS (Cont'd)

Technical Issues — The approved amount includes a FY 2001 increase of \$23,400 from the General Fund to replace 10 personal computers in the Director's office.

Trainers — The approved amount includes a FY 2000 reduction of \$(145,000) and (4) FTE Positions to transfer Arizona Financial Information System (AFIS) and Human Resources Management System (HRMS) training, which is provided by the department to other state agencies, from the General Accounting Office to the Human Resources Division.

ENSCO — The appropriated amount from the General Fund reflects the lease-purchase payment requirements for the acquisition of the ENSCO site. The state secured lease-purchase financing of \$55,825,000 in October 1991 to settle with ENSCO and acquire its partially constructed hazardous waste treatment site in Mobile. Payments will be required through the year 2011.

State-Owned Space Rent — This amount included funding for the department's General Fund share of rent for state-owned space, which is paid into the Capital Outlay Stabilization Fund. As an on-going part of the agency's activities, these resources are more appropriately placed in the operating budget. Consequently, the appropriation transfers the monies and eliminates this line item starting in FY 2000.

Lease-Purchase Rent — This amount included funding for the department's General Fund share of the lease-purchase payments on the Sun State Building, 16th Avenue Parking Garage, Capital Center, DES West Building, Tucson State Office Building, and 1616 West Adams. As an on-going part of the agency's activities, these resources are more appropriately placed in the operating budget. Consequently, the appropriation transfers the monies and eliminates this line item starting in FY 2000.

AFIS II — The Arizona Financial Information System (AFIS) Special Line Item reflects the General Fund cost of operating the statewide accounting system. The department also will collect up to \$762,600 from other funding sources, excluding the General Fund and Federal Funds, to supplement the cost of operating AFIS II. This authority is provided in a General Appropriation Act footnote.

Retiree Accumulated Sick Leave — Laws 1997, Chapter 291 appropriated \$200,000 from the General Fund as a FY 1999 start-up appropriation for the department's newly established Retiree Accumulated Sick Leave (RASL) Fund. The FY 2000 appropriation eliminates this one-time funding.

Veterans' Home — This Special Line Item includes monies appropriated from the General Fund to the Arizona Department of Administration (ADOA) for operation of the State Veterans' Nursing Home. The FY 1997 amount included \$1,500,000 appropriated by Laws 1996, Chapter 8, 7th Special Session, plus \$500,000 appropriated by Laws 1997, Chapter 7, 1st Special Session. The FY 1998 appropriation included a total of \$1,000,000. The ADOA appropriation for the Veterans' Home was eliminated in FY 1999 since the Veterans' Home is expected to collect sufficient revenues to be self-supporting. Laws 1999, Chapter 6, 1st Special Session reduced the FY 1998 appropriation by \$(517,100) to \$482,900 and re-appropriated the \$482,900 directly to the Veterans' Service Commission. (*See the Veterans' Service Commission section for additional information.*)

Hearing Office — This Special Line Item funded costs from the General Fund associated with appeals of decisions made by the Department of Environmental Quality. As an on-going part of the agency's activities, these resources are more appropriately placed in the operating budget. Consequently, the appropriation transfers the monies and eliminates this line item starting in FY 2000.

Capitol Police — The approved amount from the General Fund includes a total of 54 FTE Positions and funds the Capitol Police Department, which provides the Phoenix Capitol Mall and Tucson Office Complex areas with police protection.

The approved amount includes a FY 2000 decrease of \$(27,800), which leaves a total of \$171,700 for Equipment. This amount includes \$24,300 for the replacement of personal computers and \$147,400 to continue the phase-in of automated security systems for state buildings. In FY 2000, the House of Representatives, Senate, Department of Education, Department of Economic Security (DES) computer center, and a portion of the DES West building will be brought into the automated security system. For FY 2001, the approved amount includes an increase of \$95,800, which provides a total of \$267,500 to finish the security system by adding the Law Building, Arizona Power Authority, and the 3 Tucson State Office buildings.

Governor's Regulatory Review Council — This council is responsible for reviewing and updating state agency rules and regulations. The approved amount from the General Fund includes a total of 8 FTE Positions for this Special Line Item. The FY 2000 appropriation includes an increase of \$59,000 and 1 FTE Position to address a backlog in the review of state agency rules by the Governor's Regulatory Review Council (GRRC). Currently, it takes an average of 305 days for an agency to adopt a rule. From FY 1996 to FY 1998, the number of

ARIZONA DEPARTMENT OF ADMINISTRATION - CENTRAL OPERATIONS (Cont'd)

rule packages reviewed by GRRC increased by 134%, from 44 to 103 per year.

Performance-Based Incentives Program — This Special Line Item includes \$200,000 from the General Fund to be matched by the department and used to implement performance-based incentive programs.

Employee Bus Subsidy — This Special Line Item funds a bus fare subsidy for non-university state employees in Maricopa County. The program is intended to reduce pollution in Maricopa County, in compliance with federal Environmental Protection Agency air quality standards. The bus subsidy works in conjunction with the bus card program enacted in the 1993 Special Session on air quality. The FY 2000 approved amount includes an increase of \$9,100, or 2%, from the Air Quality Fund to pay for increased participation in the Employee Bus Subsidy program. For FY 2001, the approved amount includes a further increase of \$11,300 for this issue. The appropriation also continues a bus subsidy footnote, which clarifies the purpose of the appropriation.

Named Claimants — This Special Line Item includes the amounts appropriated in prior fiscal years for payments to various individuals and groups to settle claims against the state.

Additional Appropriations: Appropriation: Named Claimants (Chapter 244) — This bill appropriates \$380,339.43 to ADOA from the General Fund and \$4,651.50 from the State Lottery Fund in FY 1999 for various individuals and groups to settle claims against the state. The bill also transfers \$10,799.00 from Other Funds to the General Fund, to reimburse the General Fund for these claims, where appropriate.